



**ARIZONA STATE SENATE**  
***Fifty-Fifth Legislature, First Regular Session***

**FACT SHEET FOR S.B. 1296**

collegiate athletics; compensation

Purpose

Establishes guidelines for postsecondary education institutions allowing compensation for student athletes.

Background

An agency contract that is signed by both the student athlete and the athlete agent must include the following: 1) the amount and method of calculating the consideration to be paid by the student athlete for services to be provided by the athlete agent; 2) the name of any person who will be compensated because the student athlete signed the agency contract; 3) a description of any expenses the student athlete agrees to reimburse the athlete agent; 4) a description of the services to be provided to the student athlete; 5) the duration of the contract; and 6) the date of the execution of the contract ([A.R.S. § 15-1770](#)).

Within 72 hours of entering into an agency contract or before the next athletic event in which a student athlete may participate, whichever comes first, the student athlete and the athlete agent are required to notify the athletic director of the educational institution at which the student athlete is enrolled ([A.R.S. § 15-1771](#)). A student athlete may cancel an agency contract by giving notice of the cancellation to the athlete agent within 14 days of the contract being signed ([A.R.S. § 15-1772](#)).

An athlete agent intending to induce a student athlete to enter into an agency contract is prohibited from engaging in the following conduct: 1) giving any materially false or misleading information or making a materially false promise or representation; 2) furnishing anything of value to a student athlete before the student athlete enters into the agency contract; and 3) furnishing anything of value to any individual other than the student athlete or another athlete agent ([A.R.S. § 15-1774](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires all postsecondary education institutions competing in an intercollegiate sport to allow a student athlete to earn compensation from the use of the student athlete's own name, image or likeness, in accordance with rules of the relevant national association for regulating collegiate athletics.
2. Prohibits a student athlete, who earns compensation for the use of the athlete's name, image or likeness, to the extent allowed by established rules, from:
  - a) having a scholarship denied, revoked or being deemed ineligible; or
  - b) being deemed ineligible for participating in intercollegiate athletics.

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3. Requires an athlete agent, who advises or represents a student athlete who earns compensation from the use of their own name, image or likeness, to comply with the Revised Uniform Athlete Agents Act as listed in statute.
4. Stipulates that student athletes are not authorized to enter a contract providing compensation if doing so:
  - a) violates the intellectual property rights of any person, including the student athlete's postsecondary education institution; and
  - b) conflicts with the student athlete's team contract.
5. Defines *athlete agent*, *intercollegiate sport*, *person* and *student athlete* as in existing statute.
6. Becomes effective on the general effective date.

Prepared by Senate Research

February 12, 2021

JO/JS/gs